

SLIDE 1 – Real Estate Recovery Fund

In this section we'll take a look at the Florida Real Estate Recovery Fund. The fund is in place primarily as a consumer protection safeguard. Funding comes from administrative fines and a surcharge on each new and renewing license.

SLIDE 2

**Florida Real Estate Recovery Fund – F.S. 475-482**

Established to reimburse any person or business suffering monetary damage following some fraudulent act committed by a licensed broker or sales agent.

The fund can only apply to instances:

- Involving Florida real estate
- Involving a licensee under F.S. 475
- Violating any part of Chapter F.S. 475

SLIDE 3

Persons who do not qualify for reimbursement of damages through the Florida Real Estate Fund: - F.S. 475-483(2)

- The spouse of the judgment debtor.
- A licensed broker or sales associate who acted as a single agent or transaction broker in the transaction.
- Claim is based upon a real estate transaction in which the licensed broker or sales associate was the owner of or controlled the property or the licensee was not acting as a broker or sales associate.
- Claim is against a transaction in which the broker or sales associate did not hold a valid, current, and active license.
- The judgment is against a real estate brokerage corporation, partnership, LLC or LLP.

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**Disbursement from the fund – F.S. 475.484**

Payment from the fund is to satisfy a judgement resulting out of a civil action for a licensee violation of F.S. 475.

To satisfy the judgement the assets of the licensee are first attached before payment from the fund is made available.

The maximum fund payout for a single transaction is \$50,000.

The maximum for multiple transactions is \$150,000.

Payment is only for actual damages - not court costs, legal fees or other punitive damages.

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### **Condition for recovery – F.S. 475.483**

When filing a claim for disbursement, the claim should be made within two (2) years from the time of the act giving rise to the claim, or within two (2) years from the time the act is discovered or should have been discovered with the exercise of due diligence.

In no event may a claim for recovery be made more than 4 years after the date of the act giving rise to the claim.

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### **Fund limit and fees – F.S. 475.482(3)**

A fee of \$3.50 per year shall be added to the license fee for both new licenses and renewals of licenses for brokers.

A fee of \$1.50 per year shall be added for new licenses and renewals of licenses for sales associates.

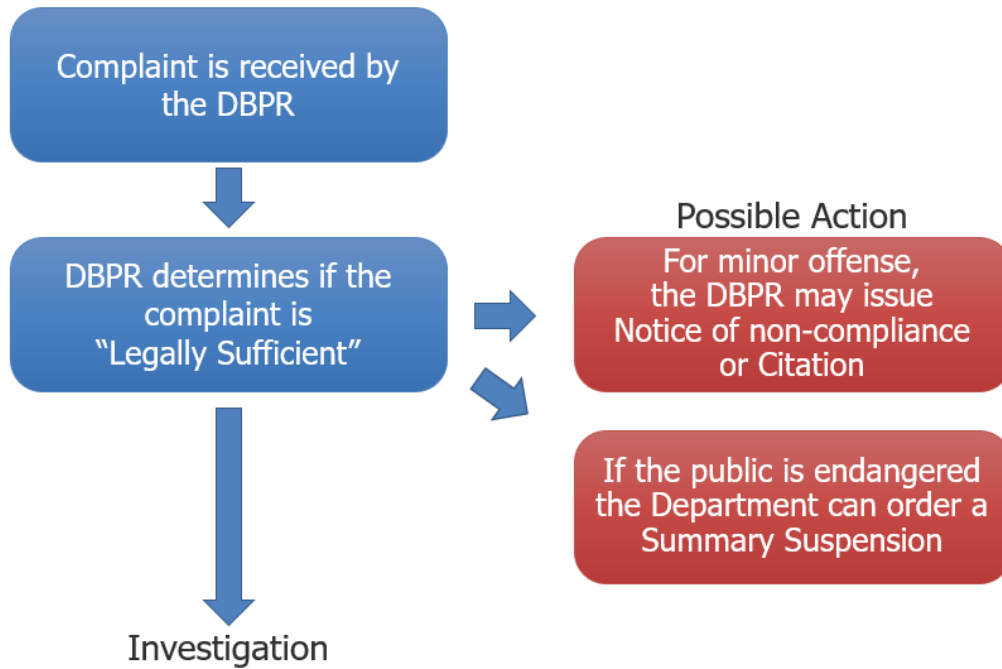
This fee is in addition to the regular license fee and shall be deposited in the recovery fund.

If the fund at any time exceeds \$1 million, the collection of special fees shall be discontinued.

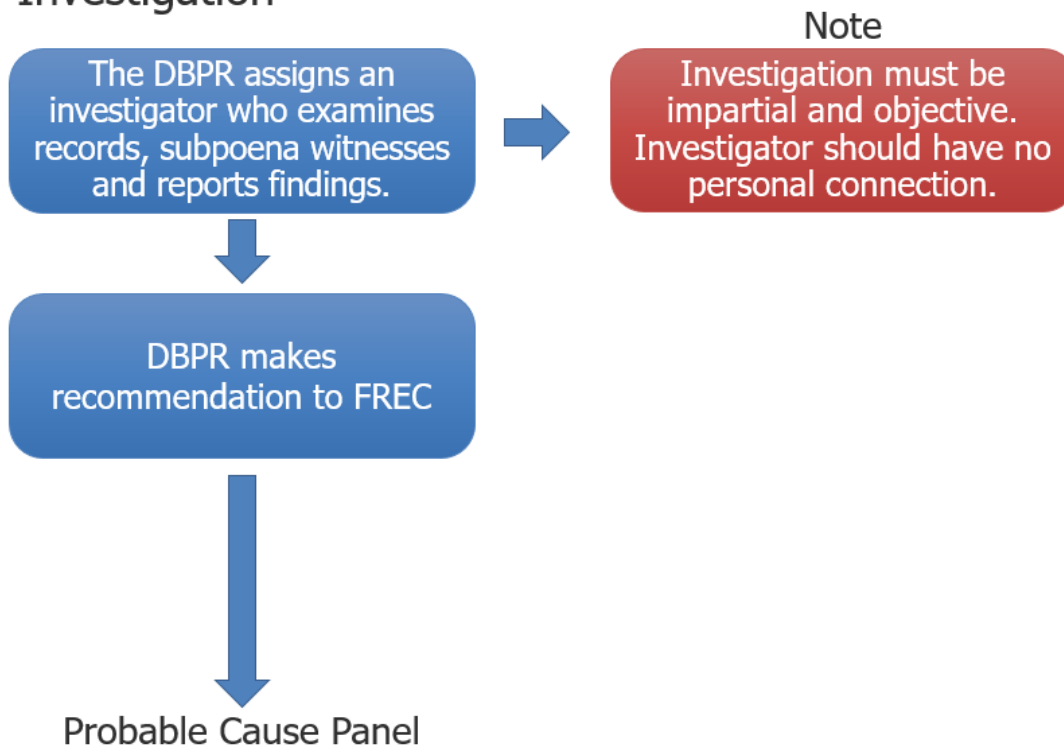
If and when the fund reduces to \$500,000 through disbursement actions, the special fees shall be reimposed.

# Summary – Complaint/Discipline Procedure

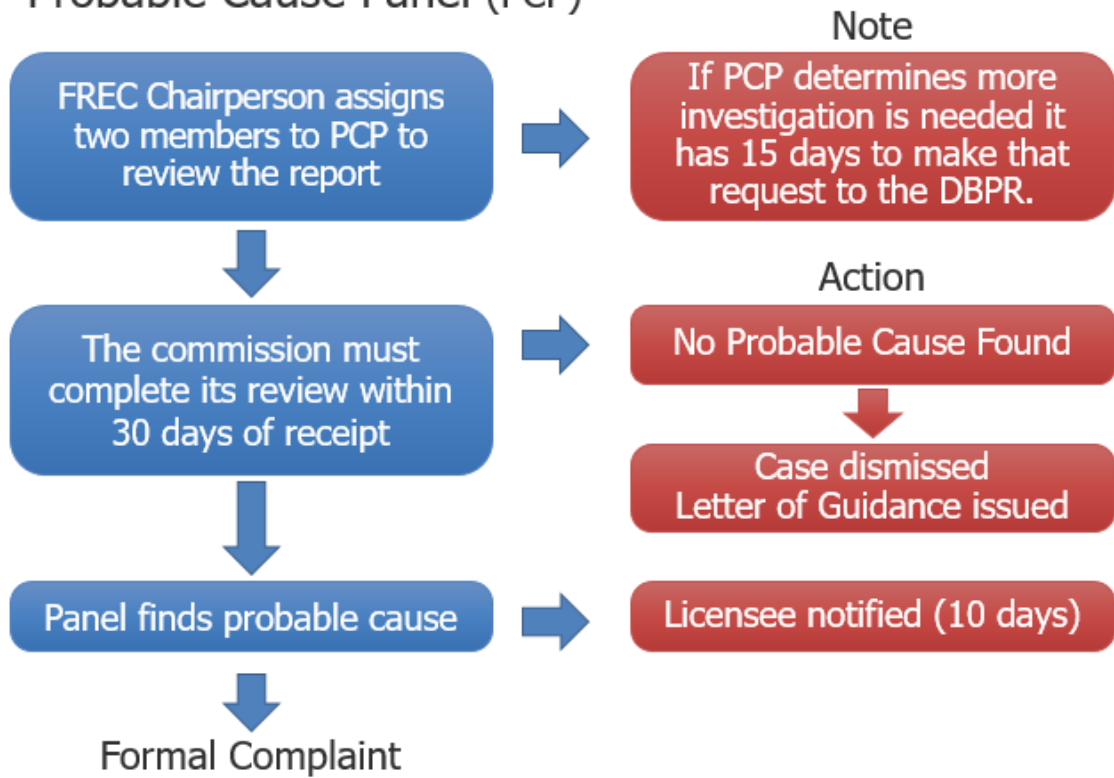
## 1 - Complaint



## 2 - Investigation

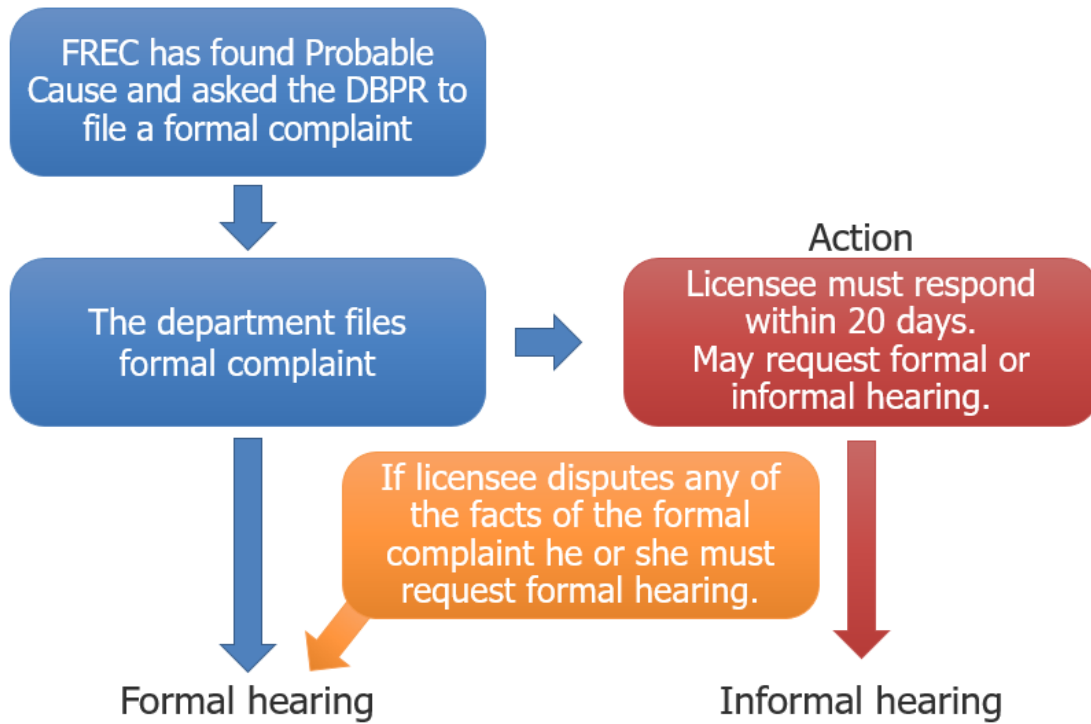


### 3 – Probable Cause Panel (PCP)



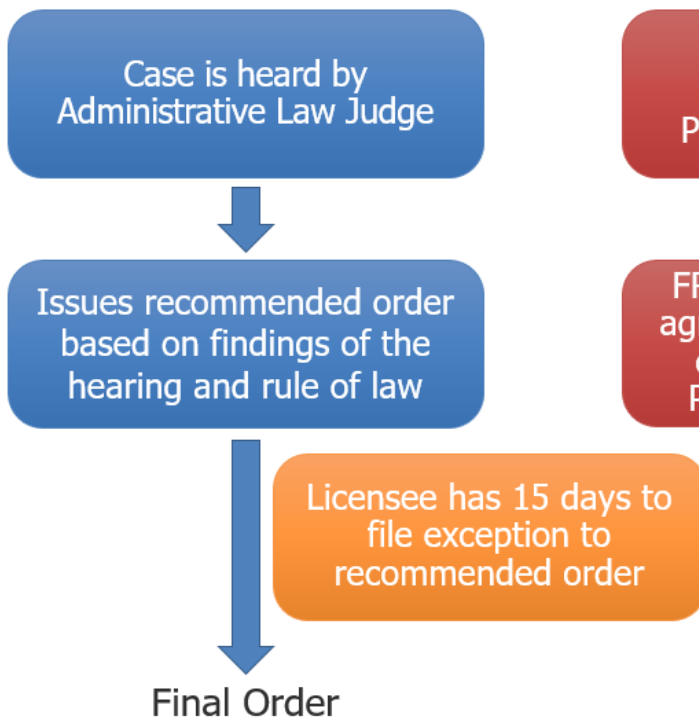
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### 4 – Formal Complaint



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### 4 – Formal hearing

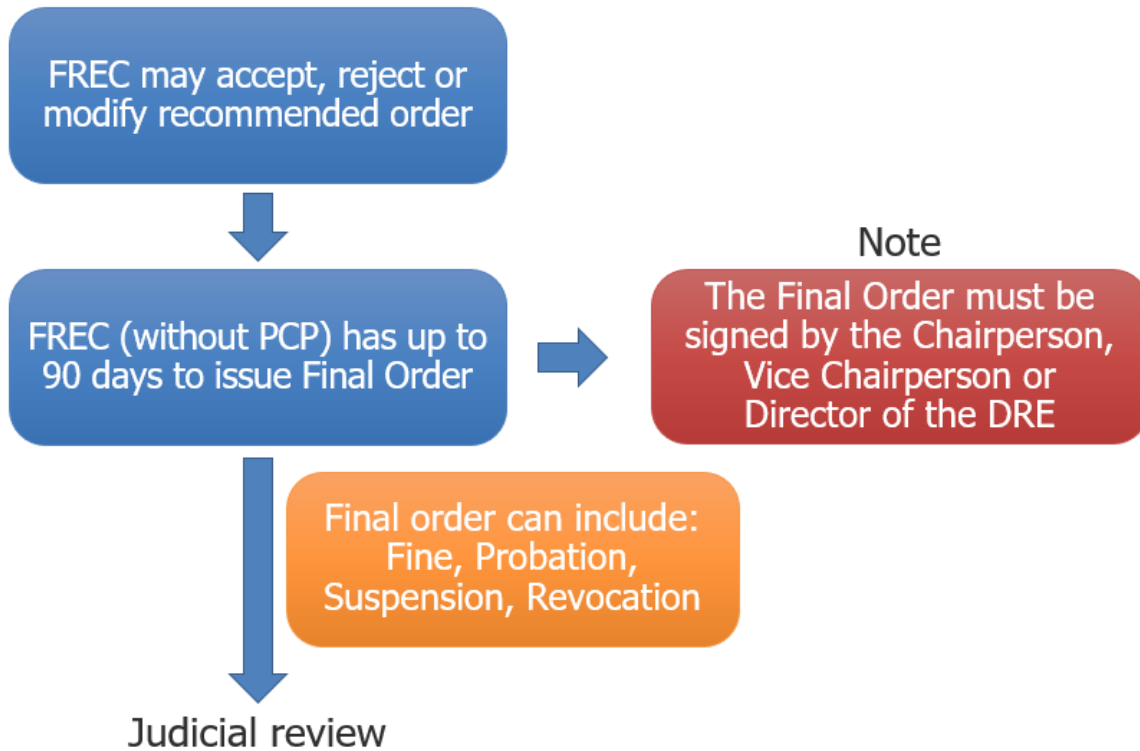


### – Informal hearing



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### 5 – Final order



SLIDE 13

### 6 – Judicial review

